

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

**Organization Meeting
Friday, February 12, 1999**

4:00 p.m.

Present:

Robert Seach, Member at Large, Commissioner, Chairman
David Aiazzi, City Councilman of Reno, Commissioner, Vice Chairman
James Ainsworth, General Improvement Districts, Commissioner
Dorothy Dermody, Washoe County School District, Commissioner
Richard Pugh, Member at Large, Commissioner
Jim Galloway, Washoe County Commission, Commissioner

Amy Harvey, County Clerk
Betty J. Lewis, Deputy County Clerk
Jim Barnes, Deputy County Attorney, Legal Counsel

Absent:

Richard Pugh, Member at Large, Commissioner
Tony Armstrong, City Councilman of Sparks, Commissioner

The Debt Management Commission (DMC) met in session in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Seach presiding. The Clerk called the roll, and the meeting commenced for the purpose of conducting the following business.

99-1DMC **SWEARING IN OF NEWLY APPOINTED AND ELECTED MEMBERS**

Amy Harvey, County Clerk, administered the oath of office to Washoe County Appointee Jim Galloway, Washoe County School District Appointee Dorothy Dermody, and General Improvement District Electee James Ainsworth.

99-2DMC **AT-LARGE MEMBERS APPOINTED**

Robert Seach and Richard Pugh were appointed at-large members to the Debt Management Commission by other members of the Commission for a term of two years and Member Seach was subsequently sworn in by County Clerk Amy Harvey. It was noted that since Member Pugh was absent, he will be sworn in at a future meeting.

99-3DMC **CHAIRMAN AND VICE CHAIRMAN APPOINTED**

Commissioner Seach nominated Commissioner Aiazzi as Chairman of the Debt Management Commission. Upon the nomination being closed and seconded by Commissioner Ainsworth, Commissioner Aiazzi was elected Chairman.

Commissioner Aiazzi nominated Commissioner Dermody as Vice Chairman of the Debt Management Commission. Upon the nomination being closed and seconded by Commissioner Ainsworth, Commissioner Dermody was elected Vice Chairman.

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The Debt Management Commission then assembled with those in attendance as follows:

David Aiazzi, City Councilman of Reno, Commissioner, Chairman
Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman
James Ainsworth, General Improvement District, Commissioner
Jim Galloway, Washoe County Commission, , Commissioner
Richard Pugh, Member at Large, Commissioner [absent]
Robert Seach, Member at Large, Commissioner

MINUTES

On motion by COMMISSIONER AINSWORTH, seconded by COMMISSIONER GALLOWAY, which motion duly carried, CHAIRMAN AIAZZI ordered that the approval of the minutes of the meeting of November 13, 1998, be continued as copies of said minutes have not as yet been received..

4:15 p.m.

The meeting was adjourned.

DAVID AIAZZI, Chairman
Debt Management Commission

ATTEST: AMY HARVEY, County Clerk

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

**Special and Quarterly Meeting
Friday, April 9, 1999**

4:00 p.m.

Present:

David Aiazzi, City Councilman of Reno, Commissioner, Chairman
Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman
James Ainsworth, General Improvement District, Commissioner
Tony Armstrong, City Councilman of Sparks, Commissioner
Jim Galloway, Washoe County Commission, , Commissioner
Richard Pugh, Member at Large, Commissioner
Robert Seach, Member at Large, Commissioner

Amy Harvey, County Clerk
Jim Barnes, Deputy County Attorney, Legal Counsel

The Debt Management Commission (DMC) met in session in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Aiazzi presiding. The Clerk called the roll, and the meeting commenced for the purpose of conducting the following business.

AGENDA

On motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER PUGH, which motion duly carried, the Agenda for today's meeting was approved.

99-04DMC SWEARING IN OF REAPPOINTED AT-LARGE MEMBER

Amy Harvey, County Clerk, administred the oath of office to At-Large Member Richard Pugh, who was appointed at the meeting of February 12, 1999, but was not present at that time to be sworn in.

MINUTES

CHAIRMAN AIAZZI ordered that the the minutes of the meetings of November 13, 1998, and February 12, 1999, be approved.

99-05DMC INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT - PROPOSAL TO ISSUE GENERAL OBLIGATIONS

Jennifer Stern, Swendseid & Stern, Bond Consultants, advised that the proposal before the Board today from Incline Village General Improvement District is to issue bonds additionally secured by pledged revenues for recreation purposes as described in the Resolution below.

She then introduced Kim Kelsh, Ramona Kruse, and Andy Artisa, Incline Village General Improvement District, and Linda Harvey, the District's Bond Counsel. Ms. Harvey stated that the proposal for \$3,500,000 will not exceed the District's debt limit and there is coverage in the recreation fund to cover the debt service.

In response to Commissioner Armstrong, Ms. Kelsh, Finance Director for the District, advised that improvements need to be made at the Club House in order to attract the right golfer, and that there has been pretty excessive planning.

Chairman Aiazzi noted that this will not affect the cap of 3.64 and Ms. Stern stated that the only possibility would be if there would be insufficient funds to repay the debt, which is very unlikely to occur.

On motion by Commissioner Armstrong, seconded by Commissioner Pugh, which motion duly carried, it was ordered that the following be adopted and the Chairman authorized to execute:

RESOLUTION A Resolution Concerning the Submission to the Washoe County Debt Management Commission of a Proposal to Issue General Obligations; Concerning Action Taken Thereon by the Commission; and Approving Certain Details In Connection Therewith.

WHEREAS, pursuant to § 350.020(3) the Incline Village General Improvement District, Nevada (the "District") (subject to the approval of such proposal to issue general obligations by the Washoe County Debt Management Commission) proposes to adopt and publish a resolution of intent to issue general obligation (limited tax) recreational facilities bonds additionally secured by pledged revenues; and

WHEREAS, the District has determined that the pledged revenues will at least equal the amount required in each year for the payment of interest on and principal of such general obligation bonds; and

WHEREAS, the District proposes to incur such general obligations without an election unless a petition, signed by the requisite number of registered voters of the District who together with any corporate petitioners represent the requisite assessed value of the taxable property of the District is presented to the District requiring the District to submit to the qualified electors of the District for their approval or disapproval, the following proposal:

GENERAL OBLIGATION (LIMITED TAX) RECREATIONAL FACILITIES BOND PROPOSAL:

Shall the Board of Trustees of the Incline Village General Improvement District be authorized to issue negotiable, revenue supported general obligations of the District, in one series or more, in an aggregate principal amount of not exceeding \$3,500,000 to defray wholly or in part the cost of acquiring, constructing, reconstructing, improving, extending, and bettering the District's lands, works, systems and facilities for recreation; the bonds to mature serially commencing not later than 5 years from the date or respective dates of the bonds and ending not later than 30 years therefrom, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and other monies are available therefor), and to be additionally secured by and payable from the revenues of the District's recreational facilities and to be issued and sold at par or below or above par, at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof and otherwise to be issued in such manner, upon such terms and conditions with such covenants and agreements, and with such other detail as the Board of Trustees of the District may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

and

WHEREAS, pursuant to NRS § 350.005, the Secretary, with the approval of the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting; and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal; and

WHEREAS, the Commission has considered all matters in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:

Section 1. This resolution shall be known as the "1999 IVGID DMC Approval Resolution."

Section 2. The Commission hereby finds that the requirements of NRS §§ 350.0035 to 350.0051, inclusive, have been met, and the Proposal for the issuance of general obligation recreational facilities bonds proposed by the District is hereby approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

PUBLIC COMMENT

There was no response when Chairman Aiazzi called for public comment.

4:15 p.m.

The meeting was adjourned.

**DAVID AIAZZI, Chairman
Debt Management Commission**

ATTEST: AMY HARVEY, County Clerk

DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA
Annual Meeting
Friday, July 16, 1999

4:00 p.m.

Present:

David Aiazzi, City Councilman of Reno, Commissioner, Chairman
Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman
James Ainsworth, General Improvement District, Commissioner
Tony Armstrong, Mayor of Sparks, Commissioner
Richard Pugh, Member at Large, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Deputy District Attorney, Legal Counsel

Absent:

Jim Galloway, Washoe County Commissioner, Commissioner
Robert Seach, Member at Large, Commissioner

The Debt Management Commission (DMC) met in session in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Aiazzi presiding. The Clerk called the roll, and the meeting commenced for the purpose of conducting the following business.

99-06DMC
INDEBTEDNESS REPORTS
JUNE 1999

Following discussion, on motion by COMMISSIONER DERMODY, seconded by COMMISSIONER PUGH, which motion duly carried, it was ordered by CHAIRMAN AIAZZI that the annual reports of current or contemplated general obligation debt submitted to the Commission by the following political subdivisions be accepted as submitted:

Airport Authority
Convention & Visitors Authority of Reno-Sparks
Regional Transportation Commission
Reno Redevelopment Agency
Reno, City of
School District of Washoe County
Sparks Redevelopment Agency
Sparks, City of
Washoe County

Gerlach General Improvement District
Incline Village General Improvement District
North Lake Tahoe Fire Protection District
South Truckee Meadows General Improvement District
Sun Valley Water and Sanitation District
Verdi Television District

99-07DMC

DEBT MANAGEMENT PLANS
CAPITAL IMPROVEMENT PROJECTS LISTS

On motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER PUGH, which motion duly carried, CHAIRMAN AIAZZI ordered that receipt of Debt Management Plans and Capital Improvement Projects Lists submitted by the Washoe County School District, the City of Sparks, the City of Reno, the Reno-Sparks Convention & Visitors Authority, the Incline Village General Improvement District, the Sun Valley Water and Sanitation District, and Washoe County be acknowledged.

99-08DMC

QUARTERLY MEETING DATES
1998/99

On motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER AINSWORTH, which motion duly carried, it was ordered that 4:00 p.m. on the following dates, all being Fridays, be scheduled for quarterly meetings for 1998/99, subject to change, if necessary:

October 22, 1999, January 21, 2000, April 21, 2000, July 21, 2000

PUBLIC COMMENTS

There was no response to CHAIRMAN AIAZZI'S call for public comment.

4:15 P.M.

The meeting adjourned.

DAVID AIAZZI, Chairman
Debt Management Commission

ATTEST: AMY HARVEY, County Clerk

DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA
Annual Meeting
Friday, September 15, 1999

1:30 p.m.

Present:

David Aiazzi, City Councilman of Reno, Commissioner, Chairman
Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman
James Ainsworth, General Improvement District, Commissioner
Tony Armstrong, Mayor of Sparks, Commissioner
Jim Galloway, Washoe County Commission, , Commissioner
Richard Pugh, Member at Large, Commissioner
Robert Seach, Member at Large, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Deputy District Attorney, Legal Counsel

The Debt Management Commission (DMC) met in session in the City of Reno Council Chambers at City Hall, 490 South Center Street, Reno, Nevada, in full conformity with the law, with CHAIRMAN AIAZZI presiding. The Clerk called the roll, and the meeting commenced for the purpose of conducting the following business.

AGENDA

On motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER AINSWORTH, which motion duly carried, CHAIRMAN AIAZZI ordered that the agenda for today's meeting be approved as presented.

MINUTES

On motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER PUGH, which motion duly carried, CHAIRMAN AIAZZI ordered that the minutes of July 16, 1999, be approved as amended.

99-09DMC **GENERAL OBLIGATION RECREATION BONDS RENO-
SPARKS CONVENTION & VISITORS AUTHORITY**

Paul Lipparelli, the Commission's legal counsel, responded to COMMISSIONER SEACH's question regarding its responsibility in regard to this, advising that the statutory criteria under NRS 350.0051 asks that the Board consider the amount of outstanding debt and whether or not this will cause the tax rate to exceed the cap of 3.64 which is set by Legislation. He further stated that with regard to any conditions on the debt issue, any of

the three criteria would not have any affect on this Commission's responsibility, as the Commission is not to determine the merits, just its financial implications, if there is something that would be detrimental to another agency.

Jennifer Stern, Swendseid & Stern, Bond Consultants, explained that the security for the bonds which will be issued by Washoe County is a 2 percent room tax increase that the legislature passed, which is presently in effect; that additionally there is a 6 percent room tax that has been levied, and, therefore, all is pledged. She stated that another issue is that this will allow that Washoe County's credit rating is used, which is lower.

Phil Keene, CEO of the Reno-Sparks Convention & Visitors Authority, said that this whole project should be taken with the understanding of the changing economy to diversify the community away from customers, the base that includes gamers, skiers, and golfers where our prime market is San Francisco and is affected by the high gasoline prices. He stated that how important gaming is to our economy is of huge concern of everyone in the State, much less on a convention status. He said that those people that attend conventions are high yield customers and that the Convention Center has not kept in step with the clients' needs and have consequently lost major shows that grew up with the Convention Center in Reno, and that hopefully the expansion will help RSCVA get back the businesses that were lost, particularly the outdoor sports show in the year 2000 as well as the Safari Club, and other winter clients that had been developed, and there is evidence they would like to come back here. He said that this would provide us with a very manageable trust where we would have something like 350 meetings per year. He noted that there are some that would not use Reno for their conventions readily, e.g., religious and vocational organizations, and that computer shows do not feel good in the present facility. He continued that the proposed addition would accommodate 95 percent of all the meetings in the County.

He then addressed the new design to be proposed and the engineering and architecture in the construction, including kitchens and hallways, and the changing of things that take up space now without necessity. Also will be considered traffic implications and parking, as with the new structure they would lose about half of the parking spaces that are currently used, but there are some potential sites around the property, and they will assure that adequate parking space for the facility is provided. He said that they have hired a local construction management firm.

Scott Nash, Financial Consultant for the County, addressed the financial history for the Convention Authority, advising that the bonds will be issued by Washoe County but will be backed up by the room tax which they have pledged at a rate of 6 percent, but no tax rate increase will be levied for the bonds, and the County Commission in its approval of this proposal at their meeting yesterday added some safety factors to assure that no taxes will have to be increased and to reduce the risk of that occurring. He then answered other questions of the Board advising that these kinds of parameters are used on bonds in a number of cases.

John Sherman, Washoe County Finance Director, advised that with the County's agreement to back this, the cost is reduced, and CHAIRMAN AIAZZI stated that this has no affect on what this Commission does today.

Following discussion, on motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER PUGH, which motion duly carried, it was ordered that the proposal be accepted for the issuance of the Bonds.

The meeting was adjourned at 2:35 p.m.

COMMISSIONER GALLOWAY stated later, after adjournment, that he believes there should be a separate motion for adopting the Resolution and Legal Counsel Liparrelli agreed that that would be the proper procedure. The meeting was reconvened and a Roll Call taken, and it was found that COMMISSIONER AINSWORTH was absent but all others were present.

On motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER DERMODY, which motion duly carried with COMMISSIONER AINSWORTH absent, CHAIRMAN AIAZZI ordered that the following be adopted and the Chairman authorized to execute:

RESOLUTION A Resolution Concerning the Submission to the Washoe County Debt Management Commission of a Proposal to Issue General Obligation Recreational Facilities Bonds (Additionally Secured by Pledged Revenues); concerning action taken thereon by the Commission; and approving certain details in connection therewith.

WHEREAS, pursuant to §§ 350.001 through 350.006 the Reno-Sparks Convention & Visitors Authority (the "Authority") of Washoe County (the "County") notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission" respectively) of the Authority's proposal to issue general obligations and submitted a statement of the County's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Authority proposes (subject to the approval of the proposal to issue general obligations by the Commission) to issue the bonds describe in the following proposal:

GENERAL OBLIGATION (LIMITED TAX) RECREATIONAL FACILITIES BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES) PROPOSAL:

Shall the Reno-Sparks Convention & Visitors Authority, Washoe County, Nevada, be authorized to incur a general obligation indebtedness on behalf of

the County by the issuance at one time, or from time to time, of the County's general obligation recreational facilities bonds (additionally secured by pledged revenues) in one series or more, in an aggregate principal amount not to exceed \$105,000,000 to defray wholly or in part the cost of reconstructing, expanding, improving and equipping recreational facilities in the County, including, without limitation, buildings and other improvements at and in the vicinity of the Reno-Sparks Convention Center, and real property, structures, fixtures, furniture and equipment therefor and all appurtenances and incidentals necessary, useful or desirable thereto, such bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and other monies are available therefor) and to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such detail as the Authority may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

WHEREAS, pursuant to NRS § 350.005, the Secretary, with the approval of the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada, which has complied with § 1 of NRS 350.0035 within the past year; and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal; and

WHEREAS, the Commission has considered all matters in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:

Section 1. This resolution shall be known as the "1999 DMC Approval Resolution."

Section 2. The provisions of NRS §§ 350.0035 to 350.0051, have been met, and the Proposal for the issuance of general obligation (limited tax) recreational facilities bonds additionally secured with pledged revenues in the maximum aggregate principal amount of \$105,000,000 proposed by the Authority is approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

PUBLIC COMMENT

There was no response when Chairman Aiazzi called for public comment.

2:40 p.m.

The meeting adjourned.

**DAVID AIAZZI, Chairman
Debt Management Commission**

ATTEST: AMY HARVEY, County Clerk

DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA
Special and Quarterly Meeting
Friday, October 29, 1999 - 4:00 p.m.

Present:

Dorothy Dermody, Washoe County School District, Commissioner, Vice Chairman
James Ainsworth, General Improvement District, Commissioner
Tony Armstrong, Mayor of Sparks, Commissioner
Jim Galloway, Washoe County Commission, , Commissioner
Richard Pugh, Member at Large, Commissioner
Robert Seach, Member at Large, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Deputy District Attorney, Legal Counsel

Absent:

David Aiazzi, City Councilman of Reno, Commissioner, Chairman

The Debt Management Commission (DMC) met in session in the Commission Chambers of the Washoe County Administration Building, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with *Vice Chairman Dermody* presiding. Upon the Clerk calling the roll, Richard Pugh was noted as absent, although he did arrive a few minutes thereafter. The meeting then commenced for the purpose of conducting the following business.

AGENDA

On motion by *Commissioner Ainsworth*, seconded by *Commissioner Armstrong*, which motion duly carried, *Vice Chairman Dermody* ordered that the agenda for today's meeting be approved as presented.

MINUTES

On motion by *Commissioner Seach*, seconded by *Commissioner Ainsworth*, which motion duly carried, *Vice Chairman Dermody* ordered that the minutes of September 15, 1999, be approved.

99-10DMC
General Obligation Sewer Bonds
City of Sparks

Terry Thomas, Finance Director, City of Sparks, advised that her presentation package was delivered to each Commission member and that her summary thereof will be brief.

She pointed out that the “Helms Pit” has been turned into a beautiful marina park in the City and there is a large amount of water being discharged in the park (3 million gallons per day) and they are under federal orders to treat that water; that they have examined a large number of alternatives with Sierra Pacific Power Company and consultants; and that they have come to the conclusion that the denitrification plant is the answer.

She then reviewed the financing picture advising that she will respond to financial concerns; that Jennifer Stern, Bond Counsel will answer legal questions, and Kermit McMillan from Fieldman and Rolapp to augment her financial answers, and also Mr. Ross Hooper, Camp Dresser & McGee, whose firm designed the denitrification plant, will answer technical questions as to why this is being done and how it will be accomplished. She then reported that in pursuing this project, estimated to cost \$4.8 million, toward which the City of Reno will be putting \$2.5 million of federal grants, it was ascertained that there is needed a leeway of \$3.5 million of the State Revolving Fund money, as sometimes the cost includes contingencies and overruns, and as the Commission may know, the State Revolving Fund bonds are only payable as they are drawn down, so that \$3.5 million is a not-to-exceed amount, in the hope that that much will not be needed. She noted that this will avoid another request before the Board for State Revolving Fund general obligation sewer bond money.

She stated that behind Tab 3B in her presentation is shown a table regarding the Sparks Sewer Operations Fund which operates the collection system, all the interceptors, the conveyance piping, and also the at-point irrigation systems; and that they pay their share of the capital and operating costs for the Truckee Meadows Water Reclamation Facility, a 40-million-gallon-a-day plant which is a joint account with the City of Reno.

She continued that Mr. McMillan has helped prepare a schedule of covered ratios, showing that there is about one and one-half times coverage for the debt service, and in this analysis, there was assumed additional revenue from approximately 700 new connection fees per year, although a specific rate increase, currently before the Sparks City Council, was not assumed on the basis of both a sewer equity study being conducted and a major regional facilities plan that Corollo Engineers are working with Reno, Sparks, and Washoe County to bring to fruition. She explained that the City of Sparks is trying to build the capacity in their plan and are trying to look regionally at the sewer and wastewater disposal needs which are all included in this proposed rate increase. She did not that the coverage ratios are more than adequate to finance \$3.5 million dollars of general obligation bonds additionally secured by the sewer revenues, and that this falls well within the City’s debt limitation.

Commissioner Galloway inquired if the contributed capital portion is an annual average. Ms. Thomas stated they do not bet on connection fees as they are balancing this operating statement solely from user fees, and connection fees are not included in the table and she further explained that the only portion of those fees that belong in the operating statement is the amount of cost for each physical connection, and inflation of the ratio of the operating revenue to the amount of anticipated new user accounts is what is being done,

since connection fees may be extremely sporadic. *Commissioner Galloway* noted that \$900,000 for connection fees is included in the debt service, and if it were backed out, the debt service requirements would not be met.

It was noted by Mr. McMillan that you would have to lose about \$800,000 and perhaps that could happen, but it has not occurred in the last ten years. *Commissioner Galloway* inquired if the same amount of annual revenue is projected from connection fees, and he was told that it has been very stable. He then noted that it was for the last three years, and if it is expected to hold up, that addresses his concern.

Mr. Hooper, Camp, Dresser, & McGee then detailed what the denitrofication plant would achieve, the main thing being the removal of nitrogen from the water. He pointed out that the Truckee River is a very tightly controlled river as it is one of the few rivers in the world that ends in land, and because of that any contaminants and pollutants it carries concentrates downstream; that it is a very clean river with the nitrogen load being close to its maximum currently; that any additional nitrogen increases algae growth, depleting oxygen and impacting the fish population, increasing the need for removal for denitrofication to a safe level. He then explained the method of doing this and responded to further questions.

Ms. Thomas than stressed the debt service coverage adequacy in the City of Sparks noting that they go a little overboard in budgeting and explained her tendency to overreach projections.

Vice Chairman Dermody then opened the public hearing and called on those wishing to speak. There being no response, the hearing was closed.

Following discussion, and after clarification that as a Mayor of Sparks he has no conflict of interest in doing so, on motion by *Commissioner Armstrong*, seconded by *Commissioner Ainsworth*, which motion duly carried, it was ordered that the proposal be accepted and the following approved and adopted, and *Vice Chairman Dermody* authorized to execute on behalf of the Commission:

RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATIONS; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to §§ 350.001 through 350.006, Nevada Revised Statutes ("NRS"), the City Council (the "Council") of Sparks, Nevada (the "City"), notified the secretary of the Washoe County Debt Management Commission (the "Secretary" and the "Commission," respectively) of the City's proposal to issue general obligations and submitted a statement of the City's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Council anticipates making a determination that the pledged revenues will at least equal the amount required in each year for the payment of interest on and principal of such general obligation sewer bonds; and

WHEREAS, the Council proposes to incur such general obligations without an election unless a petition, signed by the requisite number of registered voters of the City who together with any corporate petitioners represent the requisite assessed value of the taxable property of the City, is presented to the Council requiring the Council, prior to incurring such general obligations, to submit to the qualified electors of the City for their approval or disapproval, the following proposal to incur such general obligations:

GENERAL OBLIGATION SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) PROPOSAL:

Shall the City Council of the City of Sparks, Nevada, be authorized to incur a general obligation indebtedness (additionally secured by pledged revenues) on behalf of the City by the issuance at one time, or from time to time, of the City's general obligation sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$3,500,000 for the purpose of acquiring, improving and equipping a City sanitary sewer project such bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom payable from general (ad valorem) taxes (except to the extent pledged revenues and other monies are available therefor), and to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such other detail as the Council may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium? (the "Proposal"); and

WHEREAS, pursuant to NRS § 350.005, the Secretary, with the approval of the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not less than twenty days thereafter, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting, and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal; and

WHEREAS, the Commission has received from the City a complete statement of current and contemplated general obligation debt, a debt management policy, a capital improvements plan (which includes the capital improvements proposed to be financed as provided in the Proposal) and a statement of the chief financial officer, in full compliance with paragraphs (a), (b), (c) and (d) of subsection 1 of NRS 350.0035; and

WHEREAS, the Commission has considered all matters in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF WASHOE, NEVADA:

Section 1. This resolution shall be known as the "1999 City of Sparks Sewer Bonds DMC Approval Resolution."

Section 2. The Commission hereby finds that the requirements of NRS §§ 350.0035 to 350.0051, inclusive have been met, and the Proposal for the issuance of general obligation sewer bonds (additionally secured by pledged revenues) in the maximum principal amount of \$3,500,000 by the City hereby is approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity of unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

99-11DMC
Senate Bill No. 470
DMC Provisions

Legal Counsel Paul Lipparelli advised that he has reviewed the provisions of Senate Bill No. 470 - Committee on Government Affairs, one effective on October 1, 1999, dealing with technical assistance to be provided by County staff as required depending on that County's population and membership experience requirements on the Commission, and the other one, effective on January 1, 2000, dealing with lack of attendance as a reason for membership removal, again depending on population within the County, and that he is

prepared to address any questions that may be raised. In response to a question by **Commissioner Pugh**, he advised that this may have been generated by some of the other Counties who have had problems in achieving quorums.

Ms. Thomas advised that she was on the Legislative Technical Advisory Committee and the concern was that in the smaller counties there was not sufficient expertise to allow the Commission to pass legitimate judgment on some of the proposals, and she gave White Pine County as an example where approval resulted in exceeding the statutory debt limit, and this bill was to assist smaller communities and counties to get together a qualified Board and also have qualified input from the counties in their decision making.

In response to **Commissioner Galloway** on the issue of attendance at a meeting where, if someone in a small county misses one meeting being a cause for removal is an extreme measure, Ms. Thomas stated that committee members had reported a great difficulty in getting bodies together for debt management decisions, and the fact that Washoe County DMC members are very responsive to their duties and very determined, is unfortunately not the case in a great number of counties. She advised that the need for a debt management commission action is very important in all counties, and noted the frustrating situation which results, when it becomes necessary to issue two or three iterations of meetings and postings to bring members together.

Member and Public Comments

There was no response to the call for Member comments nor public comments.

4:30 p.m. - There being no further business before the Commission, **Vice Chairman Dermody** adjourned the meeting.

DOROTHY DERMODY
Vice Chairman
Debt Management Commission

ATTEST: AMY HARVEY, County Clerk
